



# Electric and Gas Utility Customer Disconnections

## Summary

This memo summarizes electric and gas utility customer disconnections for Q3 of 2016. This is the second report issued by the CPUC that uses zip code level data to summarize utility disconnections.

This memo goes into more depth and expands on the utility level disconnection reports required by rulemaking R.10-02-005<sup>1</sup>. Zip code level data allows for more detailed review of regional, demographic, and other factors that may influence the number and frequency of disconnections. The zip code data for the years 2008 through 2016 Q3 was provided to the Policy and Planning Division (PPD) by each IOU.

## Key Findings

Key findings of the data and population weighted analysis employed here include:

- ◆ An upward trend in shutoffs among all utilities is continuing in the third quarter. The low point of disconnections was at the end of the great recession in Q4 of 2009 at ~ 0.4%. Disconnection rates were stable from 2009-2012, and have been rising since that time
- ◆ Current Q3 disconnection rates are summarized in table 1.
- ◆ The majority of disconnections continue to come from just 20% of the zip codes that utilities serve

## Q3 2016 disconnections

Utility	Total # disconnections	# Care disconnections	Average disconnection rate	Average Care disconnection rate
PG&E	86,712	33,664	0.818%	0.266%
SCE	99,765	23,922	0.755%	0.175%
SDG&E	8,813	2,811	0.27%	0.076%
SCG	12,623	4,431	0.077%	0.025%
Statewide	207913	64,828	0.480%	0.135%

Table 1. Q3 2016 Disconnection rates by IOU. The population weighted disconnection rate is calculated by dividing the # of disconnections by the total number of people in each zip code. The average disconnection rate is the average of all the zip codes disconnection rates in the IOU territory.

<sup>1</sup> OIR R.10 02-005 ORDER INSTITUTING RULEMAKING TO ESTABLISH WAYS TO IMPROVE CUSTOMER NOTIFICATION AND EDUCATION TO DECREASE THE NUMBER OF GAS AND ELECTRIC UTILITY SERVICE DISCONNECTIONS



## Historical trends in disconnections

Figure 1 shows the change in the disconnection rates from 2008 to 2016. The rate for each utility is determined by calculating the population weighted rate for each zip code and then averaging the rates over all zip codes in the territory<sup>2</sup>.

The low point of disconnections was at the end of the great recession in Q4 of 2009 with a rate of about 0.3%. Since that time the disconnection rates were relatively stable for a few years and then seem to start raising around 2013 and now are about 0.64% for PG&E and 0.68% SCE.

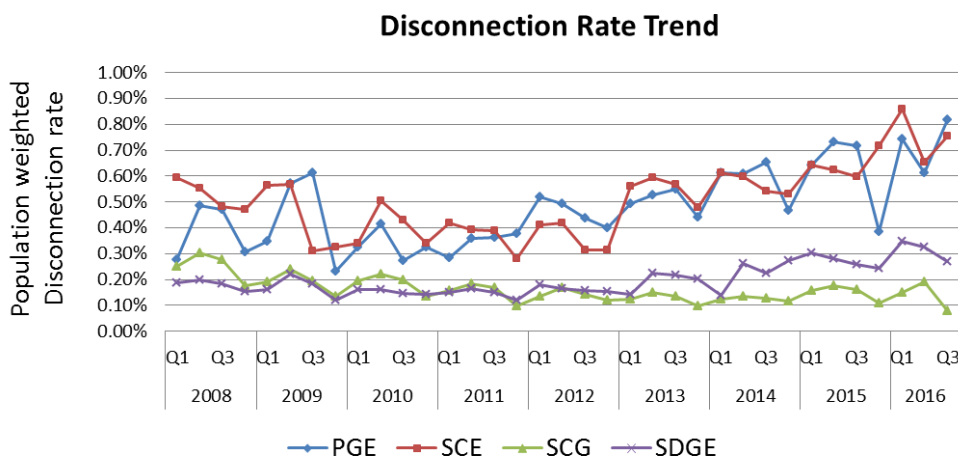
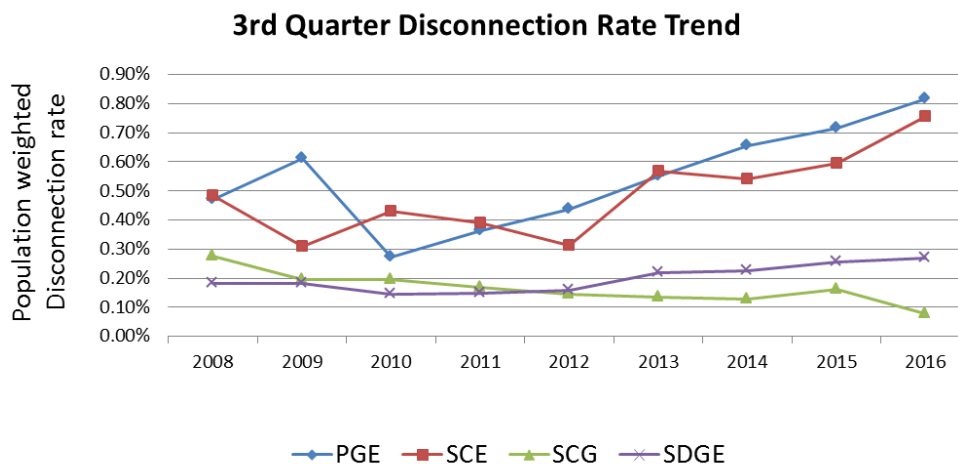


Figure 1. Average population weighted disconnection rate for each IOU from 2008 through Q2 2016

Because of there is a significant seasonal variation, we also plot the third quarter disconnections for each year separately. Figure 2 more clearly shows a consistent raising trend in disconnections starting in 2012.



<sup>2</sup> Refer to the 2016 second quarter disconnection memo for a discussion on disconnections rates and how they are calculated.